



Health Services
LOS ANGELES COUNTY

**Los Angeles County
Board of Supervisors**

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Michael D. Antonovich
Fifth District

May 4, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AN AMENDMENT TO THE AGREEMENT FOR
PACEMAKER SURVEILLANCE SERVICES WITH THE
UNIVERSITY OF SOUTHERN CALIFORNIA**
(1st District) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Acting Director of Health Services, or his designee, to execute Amendment No. 9 to Agreement H204892, substantially similar to Exhibit I, with the University of Southern California (USC) for the provision of pacemaker surveillance services, for a maximum obligation of \$81,000, effective July 1, 2006 through March 31, 2007.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

In approving the recommended action, the Board is authorizing the Acting Director of the Department of Health Services (DHS or Department) to continue the provision of pacemaker surveillance services at LAC+USC Medical Center (LAC+USC) for a period of nine months. The rates of payment for these services will remain the same during the extension period.

The current Agreement expires June 30, 2006. The extension will allow the time necessary to complete a Letter of Interest (LOI) solicitation process to determine if there are vendors who can provide both in-hospital and telephonic pacemaker surveillance services at LAC+USC. The LOI is expected to be released in May 2006.

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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service and education.*



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FISCAL IMPACT/FINANCING:

The total County cost during the extension period is \$81,000. Approximately 180 patient visits at \$50 per visit are provided each month. Funding is included in the Fiscal Year 2006-07 Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Since 1981, the County has contracted with USC for the provision of pacemaker surveillance services at LAC+USC. On June 25, 1995, the Board approved an Agreement with USC for the provision of pacemaker surveillance services from July 1, 1995 through June 30, 1997. On subsequent occasions, the Board has approved Amendments to extend the Agreement through June 30, 2006.

USC provides a range of heart pacemaker services under the existing Agreement, including monthly telephonic testing of patients who have received pacemakers at LAC+USC, in-hospital pacemaker monitoring, and analysis of pacemaker activity in patients experiencing complications.

Board approval of the Amendment will allow for the continuation of services provided through the Agreement while the Department releases an LOI to identify any vendors who have the capability and interest in providing both in-patient and telephonic pacemaker surveillance services at LAC+USC.

The Amendment includes the latest Board-mandated provisions, including, "Prohibition Against Assignment and Delegation" and "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions".

Attachment A provides additional information.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS:

It is not appropriate to advertise the Amendment on the Los Angeles County Online Web Site as a business opportunity.

The Department is intending to release the LOI in May 2006.

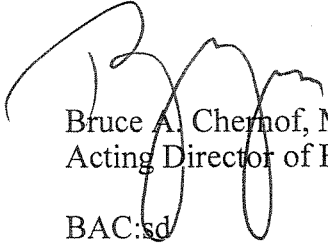
IMPACT ON CURRENT SERVICES (OR PROJECTS):

Provision of pacemaker surveillance services will continue at LAC+USC without interruption.

The Honorable Board of Supervisors
May 4, 2006
Page 3

When approved, this Department requires three signed copies of the Board's actions.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Bruce A. Chernof', is written over the printed name and title.

Bruce A. Chernof, M.D.
Acting Director of Health Services

BAC:sd

PACEMAKER BL.sdv.wpd

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT

1. **TYPE OF SERVICE:**

Pacemaker surveillance services.

2. **AGENCY ADDRESS AND CONTACT PERSON**

University of Southern California
School of Medicine
Parkview Medical Building
1355 San Pablo Street, Room 173
Los Angeles, CA 90033
Attn: Edward D. Crandall Ph.D., M.D.
Tel: 323-226-7591

3. **TERM:**

Amendment No. 9 to Agreement No. H204892: July 1, 2006 through March 31, 2007

4. **FINANCING INFORMATION:**

The total County cost during the extension period is \$81,000. Approximately 180 patient visits at \$50 per visit are provided each month. Funding is included in the Fiscal Year 2006-07 Proposed Budget.

5. **ACCOUNTABILITY FOR MONITORING:**

The administrators and medical directors at LAC+USC will continue to monitor the contractor's performance.

6. **APPROVALS:**

LAC+USC: Pete Delgado, CEO

Contracts and Grants: Cara O'Neill, Chief

County Counsel (approval as to form): Elizabeth J. Friedman, Senior Deputy

PACEMAKER SURVEILLANCE SERVICES AGREEMENT

UNIVERSITY OF SOUTHERN CALIFORNIA

Amendment No. 9

THIS AMENDMENT is made and entered into this _____ day
of _____ 2006,

by and between the COUNTY OF LOS ANGELES
(hereafter "County"),

and UNIVERSITY OF SOUTHERN CALIFORNIA
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled
"PACEMAKER SURVEILLANCE SERVICES AGREEMENT", dated June 27, 1995, and
further identified as County Agreement No. H-204892 and any Amendments
thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend said
Agreement to extend the term, and increase the maximum obligation, and
to make other hereafter described changes; and

WHEREAS, Agreement provides that changes may be made in the form
of a written amendment which is formally approved and executed by the
parties;

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall be effective on July 1, 2006.
2. The term of Agreement is hereby extended on a month-to-month
basis for up to nine (9) months, and, unless sooner terminated, shall
expire on March 31, 2007.

3. During the extended term, Contractor shall be compensated according to the same payment provisions and same rate(s) specified in Agreement.

4. An additional subparagraph of Paragraph 4, MAXIMUM OBLIGATION OF COUNTY, shall be added to read as follows:

"During the period of July 1, 2006 through March 31, 2007, the maximum obligation shall not exceed Eighty-One Thousand Dollars (\$81,000)."

5. Paragraph 13, INSURANCE, shall be amended to read as follows:

"13. INSURANCE:

A. GENERAL INSURANCE REQUIREMENTS: Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.

1. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to County's Department of Health Services, Contracts and Grants Division, 313 North Figueroa Street, Sixth Floor-East, Los Angeles, California 90012, prior to commencing services under this Agreement. Such certificates or other evidence shall:

(a) Specifically identify this Agreement.

(b) Clearly evidence all coverages required in this Agreement.

(c) Contain the express condition that County is to be given written notice by mail at least thirty (30) calendar days in advance of cancellation for all policies evidenced on the certificate of insurance.

(d) Include copies of the additional insured endorsement to the commercial general liability policy, adding County of Los Angeles, its Special Districts, its officials, officers, and employees as insureds for all activities arising from this Agreement.

(e) Identify any deductibles or self-insured retentions for County's approval. County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administration, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

2. Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to County with an A. M. Best rating of not less than A:VII, unless otherwise approved by County.

3. Failure to Maintain Coverage: Failure by Contractor to maintain the required insurance or to provide evidence of insurance coverage acceptable to County shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

4. Notification of Incidents Claims or Suits: Contractor shall report to County:

(a) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.

(b) Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.

(c) Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a County "Non-Employee Injury Report" to County contract manager.

(d) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies, or securities entrusted to Contractor under the terms of this Agreement.

5. Compensation for County Costs: In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all costs incurred by County.

6. Insurance Coverage Requirements for Subcontractors: Contractor shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

(a) Contractor providing evidence of insurance covering the activities of subcontractors, or

(b) Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of subcontractor insurance coverage any time.

B. INSURANCE COVERAGE REQUIREMENTS:

1. General Liability Insurance: (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 Million
Products/Completed Operations	\$1 Million
Aggregate:	
Personal and Advertising Injury:	\$1 Million
Each Occurrence:	\$1 Million

2. Automobile Liability Insurance (written on ISO policy form CA 00 02 or its equivalent) with a limit of liability of not less than \$1 Million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

3. Workers' Compensation and Employers' Liability: Insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 Million
Disease - Policy Limit:	\$1 Million
Disease - Each Employee:	\$1 Million

4. Professional Liability: Insurance covering liability from any error, omission, negligent or wrongful act of Contractor, its officers or employees with limits of not less than \$1 Million per occurrence and \$3 Million aggregate. The coverage also shall provide an extended two-year (2) reporting period commencing upon expiration or earlier termination or cancellation of this Agreement."

6. Paragraph 28, PROHIBITION AGAINST ASSIGNMENT AND DELEGATION, shall be amended to read as follows:

"28. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegatee or assignee on any claim under this

Contract shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Contract.

C. If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor."

7. Paragraph 34, CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT, shall be amended to read as follows:

"34. CONSIDERATION OF COUNTY'S DEPARTMENT OF PUBLIC SOCIAL SERVICES GREATER AVENUES FOR INDEPENDENCE PROGRAM/GENERAL RELIEF OPPORTUNITY FOR WORK PROGRAM PARTICIPANTS FOR EMPLOYMENT: Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence ("GAIN") Program or General Relief Opportunity for Work ("GROW") Program, who meet Contractor's minimum qualifications for the open position. The County will refer GAIN/GROW participants by job category to the Contractor."

8. Paragraph 39, CONTRACTOR RESPONSIBILITY AND DEBARMENT, shall be amended to read as follows:

"39. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

B. Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts, which indicates that Contractor is not responsible, County may, in addition to other remedies

provided in the contract, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.

C. County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of a contract with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

D. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is

presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether contractor should be debarred, and if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right at its sole discretion to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or

management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

H. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt

the proposed decision and recommendation of the Contractor Hearing Board.

I. These terms shall also apply to any subcontractors of County Contractors."

9. Paragraph 40, CONTRACTOR'S OBLIGATION AS A "BUSINESS ASSOCIATE" UNDER HIPAA, shall be amended to read as follows:

"40. CONTRACTOR'S OBLIGATION AS A "BUSINESS ASSOCIATE" UNDER HIPAA: The County is subject to the Administrative Simplification requirements of the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Under this Contract, Contractor provides services to the County and the Contractor receives, has access to, and/or creates Protected Health Information as defined in Addendum A in order to provide those services. The County and the Contractor therefore agree to the terms of Addendum A, Contractor's Obligations Under HIPAA."

10. Paragraph 45, CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76), shall be added to Agreement as follows:

"45. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS (45 C.F.R. PART 76): Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, Contractor certifies that neither it

nor any of its owners, officers, partners, directors or other principals is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, Contractor certifies that, to its knowledge, none of its subcontractors, at any tier, or any owner, officer, partner, director or other principal of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Contractor shall immediately notify County in writing, during the term of this Agreement, should it or any of its subcontractor or any principals of either be suspended, debarred, ineligible, or excluded from securing federally funded contracts. Failure of Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement."

11. Except for the changes set forth herein above, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused the same to be
subscribed in its behalf by its duly authorized officer, the day,
month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Acting Director and Chief Medical Officer

UNIVERSITY OF SOUTHERN CALIFORNIA
Contractor

Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM BY
THE OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts & Grants Division

Rev:04/21/06
LAC+USC.SKD

ADDENDUM A

CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

, Business Associate

This Addendum to Agreement is entered into effective this t day of __, 200__ ("Effective Date"), by and between County of Los Angeles Department of Health Services ("Covered Entity"), and _____, a ("Business Associate").

Under this Agreement, Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 (together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place;

Therefore, the parties agree as follows:

DEFINITIONS

- 1.1 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees.
- 1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission. The term "Electronic Media" draws no distinction between internal and external data, at rest (that is, in storage) as well as during transmission.

- 1.3 “Electronic Protected Health Information” has the same meaning as the term “electronic protected health information” in 45 C.F.R. § 160.103. Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.
- 1.4 “Individual” means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.5 “Protected Health Information” has the same meaning as the term “protected health information” in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. “Protected Health Information” includes Electronic Health Information.
- 1.6 “Required By Law” means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.7 “Security Incident” means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.
- 1.8 “Services” has the same meaning as in the body of this Agreement.
- 1.9 “Use” or “Uses” mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate’s internal operations.

1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

(a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;

(b) shall Disclose Protected Health Information to Covered Entity upon request;

(c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:

(i) Use Protected Health Information; and

(ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Business Associate:

(a) shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.

(b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors but is not specifically permitted by this Agreement, as well as, effective as of April 20, 2005, each Security Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to the Departmental Privacy Officer, telephone number 1(800) 711-5366 within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer
Kenneth Hahn Hall of Administration
500 West Temple St.
Suite 525
Los Angeles, CA 90012

- 2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.
- 2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.
- 2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.
- 2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.
- 2.8 Accounting of Disclosures. Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or subcontractors.

[Optional, to be used when all Uses and Disclosures permitted in order to perform the Services will be for the Covered Entity's payment or health care operations activities: However, Business Associate is not required to provide an accounting of Disclosures that are necessary to perform the Services because such Disclosures are for either payment or health care operations purposes, or both.]

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

OBLIGATION OF COVERED ENTITY

3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

TERM AND TERMINATION

4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(a) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

(b) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

(c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

(a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health

Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

MISCELLANEOUS

- 5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Addendum.
- 5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Paragraph is contrary to a another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.
- 5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.
- 5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.
- 5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum effective as of the date stated above.

Business Associate:

Covered Entity

Company Name

COUNTY OF LOS ANGELES,
DEPARTMENT OF HEALTH SERVICES

Print Name: _____ By: _____

Sign: _____ Title: _____

Title: _____ Dated: _____

Dated: _____